

3216

0121 04 11 054

**EAST COLUMBIA WATERWORKS DISTRICT**  
**Columbia, Louisiana**

**General Purpose Financial Statements**  
**With Accountant's Compilation Report**  
**As of and for the Year Ended**  
**December 31, 2000**  
**With Supplemental Information Schedules**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 05/02/01

**EAST COLUMBIA WATERWORKS DISTRICT**  
Columbia, Louisiana

**General Purpose Financial Statements  
With Accountant's Compilation Report  
As of and for the Year Ended  
December 31, 2000  
With Supplemental Information Schedules**

**C O N T E N T S**

	<b>Statement</b>	<b>Page No.</b>
Accountant's Compilation Report		3
<b>General Purpose Financial Statements:</b>		
Proprietary Fund Type - Enterprise Fund:		
Balance Sheet	A	5
Statement of Revenues, Expenses, and Changes in Retained Earnings	B	7
Statement of Cash Flows	C	8
Notes to the Financial Statements		9
	<b>Schedule</b>	<b>Page No.</b>
<b>Supplemental Information Schedules:</b>		
Schedule of Per Diem Paid Commissioners	1	19
Summary Schedule of Prior Year Findings	2	20
Corrective Action Plan for Current Year Findings	3	21

EAST COLUMBIA WATERWORKS DISTRICT  
Columbia, Louisiana  
Contents, December 31, 2000

**C O N T E N T S (Contd.)**

	<b>Page No.</b>
<b>Accountant's Report on Applying Agreed-Upon Procedures</b>	23
Louisiana Attestation Questionnaire	26

*M. Carleen Dumas*  
CERTIFIED PUBLIC ACCOUNTANT

369 DONALDSON ROAD • CALHOUN, LOUISIANA 71225 • TELEPHONE 318/644-5726

**Accountant's Compilation Report**

BOARD OF COMMISSIONERS  
EAST COLUMBIA WATERWORKS DISTRICT  
Columbia, Louisiana

I have compiled the accompanying general purpose financial statements and supplemental information schedules, as listed in the foregoing table of contents, of the East Columbia Waterworks District, as of December 31, 2000, and for the year then ended, in accordance with standards established by *Statements on Standards for Accounting and Review Services*, issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements and schedules information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, I have issued a report, dated March 30, 2001, on the results of my agreed-upon procedures.

*Carleen Dumas*

Calhoun, Louisiana  
March 30, 2001

**GENERAL PURPOSE FINANCIAL STATEMENTS  
(OVERVIEW)**

EAST COLUMBIA WATERWORKS DISTRICT  
Columbia, Louisiana  
PROPRIETARY FUND TYPE - ENTERPRISE FUND

Combined Balance Sheet, December 31, 2000

**ASSETS**

## Current assets:

Cash	\$41,711
Investments	47,431
Accounts receivable - water sales (net of allowance for bad debts)	<u>36,706</u>
Total current assets	<u>125,848</u>

## Restricted assets:

Cash	101,382
Investments	<u>97,228</u>
Total restricted assets	<u>198,610</u>

Property, plant and equipment (net of  
accumulated depreciation)

820,388

**TOTAL ASSETS**

\$1,144,846

**LIABILITIES AND FUND EQUITY**

## Current liabilities (payable from current assets):

Accounts payable	\$13,433
Payroll taxes payable	1,404
Sales taxes payable	638
Judgement payable	<u>30,662</u>
Total current liabilities (payable from current assets)	<u>46,137</u>

## Current liabilities (payable from restricted assets):

Revenue bonds payable	26,000
Customer deposits	<u>37,381</u>
Total current liabilities (payable from restricted assets)	63,381

## Long-term liabilities - revenue bonds payable

601,000

## Total liabilities

710,518

## Fund Equity:

Contributed capital (net of accumulated depreciation  
on assets acquired with federal grants)

245,608

(Continued)

See accompanying notes and accountant's compilation report.

EAST COLUMBIA WATERWORKS DISTRICT  
Columbia, Louisiana  
PROPRIETARY FUND TYPE - ENTERPRISE FUND  
Combined Balance Sheet, December 31, 2000

**LIABILITIES AND FUND EQUITY (Contd.):**

Fund Equity (Contd.):

Retained earnings:

Reserved for revenue bonds	\$135,229
Unreserved - undesignated	<u>53,491</u>
Total retained earnings	<u>188,720</u>
Total Fund Equity	<u>434,328</u>

TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$1,144,846</u></u>
-----------------------------------	---------------------------

(Concluded)

See accompanying notes and accountant's compilation report.

**EAST COLUMBIA WATERWORKS DISTRICT**  
**Columbia, Louisiana**  
**PROPRIETARY FUND TYPE - ENTERPRISE FUND**

Statement of Revenues, Expenses, and  
Changes in Retained Earnings  
For the Year Ended December 31, 2000

**OPERATING REVENUES**

Water sales	\$184,538
Installation and membership fees	<u>2,880</u>
Total operating revenues	<u>187,418</u>

**OPERATING EXPENSES**

Office expense	7,315
Materials and supplies	32,397
Utilities	7,895
Salaries	25,600
Payroll and sales taxes	9,627
Per diem and travel	12,790
Insurance	14,440
Contract labor	14,057
Collection fees	1,200
SDWP Fee	2,465
Depreciation	35,199
Other operating expenses	<u>6,788</u>
Total operating expenses	<u>169,773</u>

**OPERATING INCOME**17,645**NON-OPERATING REVENUES (EXPENSES)**

Interest earned on deposits	9,194
Other non-operating income	394
Interest expense	<u>(32,600)</u>
Total non-operating revenues (expenses)	<u>(23,012)</u>

**NET INCOME (Loss)**

(5,367)

Add depreciation on fixed assets acquired with federal grant

9,418**NET INCREASE IN RETAINED EARNINGS**

4,051

**RETAINED EARNINGS AT BEGINNING OF YEAR**184,669**RETAINED EARNINGS AT END OF YEAR**\$188,720

See accompanying notes and accountant's compilation report.



EAST COLUMBIA WATERWORKS DISTRICT  
Columbia, Louisiana  
PROPRIETARY FUND TYPE - ENTERPRISE FUND

Statement of Cash Flows  
For the Year Ended December 31, 2000

**CASH FLOWS FROM OPERATING ACTIVITIES**

Operating Income	<u>\$17,645</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	35,199
Increase in accounts receivable	(5,677)
Increase in customer deposits	1,573
Increase in accounts and taxes payable	<u>9,412</u>
Total adjustments	<u>40,507</u>
Net cash provided by operating activities	<u>58,152</u>

**CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES**

Principal on revenue bonds	(25,000)
Interest on revenue bonds	(32,600)
Acquisition of fixed assets	(7,500)
Non-operating income	<u>394</u>
Net cash used by capital financing activities	<u>(64,706)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest earnings on bank deposits	9,194
Increase in investments	<u>(71,181)</u>
Net cash provided by investing activities	<u>(61,987)</u>

**NET DECREASE IN CASH** (68,541)

**CASH AT BEGINNING OF YEAR** 211,634

**CASH AT END OF YEAR** \$143,093

See accompanying notes and accountant's compilation report.

**EAST COLUMBIA WATERWORKS DISTRICT**  
Columbia, Louisiana

Notes to the Financial Statements  
As of and for the Year Ended December 31, 2000

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

East Columbia Waterworks District was created by the Caldwell Parish Police Jury on September 6, 1949, as authorized by Louisiana Revised Statute 33:3811 for the purpose of supplying safe drinking water to the population of the district. The district is governed by a six member board appointed by the police jury to serve five-year terms. The board members receive \$50 for each monthly board meeting attended. The district serves approximately 1032 customers and has two part-time employees.

**A. BASIS OF PRESENTATION**

The accompanying general purpose financial statements of East Columbia Waterworks District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for established governmental accounting and financial reporting principles.

**B. REPORTING ENTITY**

As the governing authority of the parish, for reporting purposes, the Caldwell Parish Police Jury is the financial reporting entity for Caldwell Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Caldwell Parish Police Jury for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body,  
and;

See accountant's compilation report.

## **EAST COLUMBIA WATERWORKS DISTRICT**

*Columbia, Louisiana*

### **Notes to the financial statements (Continued)**

- a. The ability of the police jury to impose its will on that organization and/or;
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
- 2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
  - 3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury appoints the governing body of the district and has the ability to impose its will on the district, the district was determined to be a component unit of the Caldwell Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the district and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

#### **C. FUND ACCOUNTING**

East Columbia Waterworks District is organized and operated on a fund basis whereby a self-balancing set of accounts (Enterprise Fund) is maintained that comprises *its assets, liabilities, fund equity, revenues, and expenses*. The operations are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that the cost (expenses, including depreciation) of providing services on a continuing basis be financed or recovered primarily through user charges.

#### **D. BASIS OF ACCOUNTING**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Enterprise Fund is accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of

See accountant's compilation report.

## **EAST COLUMBIA WATERWORKS DISTRICT**

Columbia, Louisiana

### **Notes to the financial statements (Continued)**

this fund are included on the balance sheet. The Enterprise Fund is reported in the accompanying financial statements on the accrual basis of accounting. Revenues, such as water sales and other operating and non-operating income are recognized when they are earned. Interest on bank deposits is recorded when the interest is credited to the account. All expenses of the district are recognized when they are incurred.

#### **E. CASH**

Cash includes amounts in demand deposits and interest-bearing demand deposits. Time deposits with original maturities that exceed 90 days are classified as investments. Under state law, the district may deposit funds in demand deposits, interest-bearing demand deposits or time deposits with state banks organized under the laws of the State of Louisiana, or any other state of the United States, or under the laws of the United States.

#### **F. INVESTMENTS**

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the district's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. At December 31, 2000, the district's investments consist of nonnegotiable certificates of deposits with original maturities that exceed 90 days that are reported in the accompanying financial statements at cost.

#### **G. RESTRICTED ASSETS**

Certain resources of the Enterprise Fund set aside for the repayment of revenue bonds and the refunding of customer deposits are classified as restricted assets on the balance sheet because their use is limited.

#### **H. FIXED ASSETS AND LONG-TERM DEBT**

Fixed assets of the district are included on the balance sheet of the enterprise fund and are recorded at actual cost. Depreciation of all exhaustible fixed assets is charged as an expense against operations. Fixed assets reported on the accompanying balance sheet are net of accumulated depreciation. Depreciation is computed using the straight-line

See accountant's compilation report.



EAST COLUMBIA WATERWORKS DISTRICT  
Columbia, Louisiana  
Notes to the financial statements (Continued)

method over estimated useful lives of 40 years for the water distribution system and 5 years for other equipment. Long-term debt is recognized within the enterprise fund.

**I. VACATION AND SICK LEAVE**

The district has two part-time employees. There is no vacation or sick leave granted; therefore, there is no liability for compensated absences.

**J. ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**2. CASH AND INVESTMENTS**

At December 31, 2000, the district has cash and investments (book balances) totaling \$287,752, as follows:

Demand deposits	\$49,291
Interest-bearing demand deposits	93,802
Certificates of deposit	<u>144,659</u>
Total	<u>\$287,752</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at December 31, 2000, are secured as follows:

Bank Balances	<u>\$291,720</u>
Federal deposit insurance	153,259

See accountant's compilation report.

**EAST COLUMBIA WATERWORKS DISTRICT**  
**Columbia, Louisiana**  
**Notes to the financial statements (Continued)**

Pledged securities (uncollateralized)	<u>\$302,034</u>
Total	<u><u>\$455,293</u></u>

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the district, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C20.106; however, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the district that the fiscal agent bank has failed to pay deposited funds upon demand.

**3. ACCOUNTS RECEIVABLE**

At December 31, 2000, the district has net receivables of \$36,706, as follows:

Water sales	\$40,281
Allowance for uncollectible accounts	<u>(3,575)</u>
Net receivables	<u><u>\$36,706</u></u>

The allowance for uncollectible accounts at December 31, 2000 is an estimate based on the amount of past due accounts at December 31, 2000.

**4. FIXED ASSETS**

A summary of fixed assets at December 31, 2000, follows:

Land	\$3,950
Water system	1,432,280
Equipment	<u>56,230</u>
	1,492,460
Less accumulated depreciation	<u>(672,072)</u>
Property, plant, and equipment, net	<u><u>\$820,388</u></u>

**5. PENSION PLAN**

The two employees of East Columbia Waterworks District are members of the Social Security System. In addition to the employee contributions withheld at 7.65 per cent of gross salary, the district

See accountant's compilation report.

## EAST COLUMBIA WATERWORKS DISTRICT

Columbia, Louisiana

Notes to the financial statements (Continued)

contributes an equal amount to the Social Security System. The district does not guarantee the benefits granted by the Social Security System.

### 6. LONG-TERM DEBT

The long-term liability for revenue bonds represents bonds sold by the district to the United States Department of Agriculture, Farmers Home Administration under the Water and Waste Disposal Systems for Rural Communities Loan Program (CFDA 10.418). The district issued revenue bonds in the amount of \$337,000 in 1973 and \$646,300 in 1981. The bonds are due in combined annual installments of \$25,000 to \$45,000 through January 1, 2021, with an annual interest rate of 5 per cent.

The following is a summary of revenue bonds payable transactions for the year ended December 31, 2000:

Revenue bonds payable at January 1, 2000	\$652,000
Reductions	<u>(25,000)</u>
Revenue bonds payable at December 31, 2000	<u>\$627,000</u>

The annual requirements to amortize all bonds outstanding at December 31, 2000, including interest of \$331,300, are as follows:

<u>Year</u>	
2001	\$57,350
2002	56,050
2003	55,750
2004	54,400
2005	54,050
2006-2010	289,250
2011-2015	217,950
2016-2020	<u>173,500</u>
Total	<u>\$958,300</u>

### 7. CONTRIBUTED CAPITAL

The district received a federal grant totaling \$431,700, for the construction and acquisition of the water system. The amount of fixed assets constructed or acquired with grant funds is shown as contributed capital on the balance sheet. The contributed capital amount is reduced each year by the

See accountant's compilation report.

EAST COLUMBIA WATERWORKS DISTRICT  
Columbia, Louisiana  
Notes to the financial statements (Continued)

amount of depreciation expense recognized on fixed assets constructed or acquired with grant funds. At December 31, 2000, accumulated depreciation on these assets was \$186,092.

**8. RESERVED RETAINED EARNINGS**

The bond covenants with the United States Department of Agriculture, Farmers Home Administration for the long-term revenue bonds discussed in note 6 above, requires the district to establish the following reserve accounts:

- A. A "Waterworks Revenue Bond and Interest Sinking Fund". The district must transfer into this fund each month, one-twelfth of the principal and one-sixth of the interest due on the next principal and interest payment dates. Such transfers will be fully sufficient to assure the prompt payment of principal and interest installments as they become due and may be used only for such payments.
- B. A "Waterworks Reserve Note Fund". The district must transfer into this fund each month an amount equal to 5 percent of the amount to be paid into the Waterworks Revenue Bond and Interest Sinking Fund each month until there will have been accumulated in the Reserve Fund an amount equal to the maximum principal and interest requirements in any one maturity year. The maximum is \$60,250. Such amounts may be used only for the payment of maturing bonds and interest coupons for which sufficient funds are not on deposit in the Waterworks Revenue Bond and Interest Sinking Fund and as to which there would otherwise be default.
- C. A "Waterworks Depreciation Fund". The district must transfer \$242 into this fund each month. Money in this fund may be used for the making of extraordinary repairs or replacements to the system that are necessary to keep the system in operating condition and for which the money is not otherwise available. Money in this fund may be used to pay principal and interest on the bonds at any time there is not sufficient funds in the other bond funds.

At December 31, 2000, the district has set aside \$161,229 to meet the reserve requirements. Of that amount, \$26,000, is offset by the current portion of long-term debt, with the remaining \$135,229, reported as a reserve of retained earnings on Statement A.

See accountant's compilation report.



EAST COLUMBIA WATERWORKS DISTRICT  
Columbia, Louisiana  
Notes to the financial statements (Continued)

**9. LITIGATION AND CLAIMS**

At December 31, 2000, the district is not involved in any litigation or aware of any claims, except for a 1985 lawsuit with North Central Utilities in which the district received an unfavorable judgment in the amount of \$25,061 plus all administrative fees and expenses incurred by the plaintiff plus all court costs. The district has recorded a liability of \$30,662 on the balance sheet for the judgment; however, it is the opinion of the district's legal counsel that the district does not have to pay the full amount of the judgment because the district's funds are public funds. During 1992, the district offered North Central Utilities \$5,000 as payment in full. As of December 31, 2000, North Central Utilities had not responded to the offer. The district maintains commercial insurance coverage to reduce the risk of loss resulting from property damage or liability claims. There were no significant reductions in insurance coverage during the year ended December 31, 2000. There were no costs resulting from claims or judgments during the year ended December 31, 2000.

See accountant's compilation report.

## **SUPPLEMENTAL INFORMATION SCHEDULES**

See accountant's compilation report.

**EAST COLUMBIA WATERWORKS DISTRICT**  
Columbia, Louisiana  
**SUPPLEMENTAL INFORMATION SCHEDULE**  
For the Year Ended December 31, 2000

**PER DIEM PAID COMMISSIONERS**

The schedule of per diem paid to commissioners is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. In accordance with Louisiana Revised Statute 33:3819, the commissioners receive \$50 for each board meeting they attend.

**PRIOR YEAR FINDINGS**

The follow-up and corrective action taken on all prior year findings is presented in the summary schedule of prior year findings (Schedule 2).

**CURRENT YEAR FINDINGS**

The corrective action plan for current year findings is presented in Schedule 3.

See accountant's compilation report.

EAST COLUMBIA WATERWORKS DISTRICT  
Columbia, Louisiana

Schedule of Per Diem Paid Commissioners  
For the Year Ended December 31, 2000

Shelby Cruse	\$550
Jerry Duff	450
Neil Long	595
V. H. Osteen	595
Dale Powell	500
A. B. Ryan	<u>500</u>
Total	<u>\$3,190</u>

See accountant's compilation report.

EAST COLUMBIA WATERWORKS DISTRICT  
Columbia, Louisiana

Summary Schedule of Prior Year Findings  
For the Year Ended December 31, 2000

<u>Reference Number</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>
1999-1	1999	Need to Improve Controls Over Delinquent Accounts	Yes
1999-2	1999	Need to Improve Controls Over Cash Disbursements	Yes

See accountant's compilation report.

EAST COLUMBIA WATERWORKS DISTRICT  
Columbia, Louisiana

Corrective Action Plan  
For Current Year Findings  
For the Year Ended December 31, 2000

<u>Reference Number</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
-----------------------------	-------------------------------	--	-----------------------------------	--

There are no current year findings.

See accountant's compilation report.

**Independent Accountant's Report on Applying  
Agreed-Upon Procedures**

The following independent accountant's report on applying agreed upon procedures is presented in compliance with the requirements of the *Louisiana Governmental Audit Guide* and the *Louisiana Attestation Questionnaire*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

*M. Carleen Dumas*  
CERTIFIED PUBLIC ACCOUNTANT

369 DONALDSON ROAD • CALHOUN, LOUISIANA 71225 • TELEPHONE 318/644-5726

**Independent Accountant's Report  
On Applying Agreed-Upon Procedures**

**BOARD OF COMMISSIONERS  
EAST COLUMBIA WATERWORKS DISTRICT  
Columbia, Louisiana**

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed upon by the management of East Columbia Waterworks District and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about East Columbia Waterworks District's compliance with certain laws and regulations during the year ended December 31, 2000 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

**Public Bid Law**

1. Select all expenditures made during the year for materials and supplies exceeding \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

A review was made of all disbursements for the year. There were no disbursements for materials and supplies exceeding \$15,000 nor disbursements for public works exceeding \$100,000, made during the year.

**Code of Ethics for Public Officials and Public Employees**

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided me with the required list including the noted information.



East Columbia Waterworks District  
Independent Accountant's Report on  
Applying Agreed-Upon Procedures  
December 31, 2000

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided me with the required list.

4. Determine whether any of the employees included in the listing obtained from management in procedure number 3 above were also included in the listing obtained from management in procedure number 2 above as immediate family members.

There were no names on the employee listing that were also included on the listing of immediate family members.

### **Budgeting**

5. Obtain a copy of the legally adopted budget and all amendments.

The district was not required to adopt a budget for the year ended December 31, 2000.

6. Trace the budget adoption and amendments to the minute book.

See results of procedures listed under question number 5.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by 5% or more.

See results of procedures listed under question number 5.

### **Accounting and Reporting**

8. Randomly select 6 disbursements made during the period under examination and;

- (a) trace payments to supporting documentation as to correct amount and payee;
- (b) determine if payments were properly coded to the correct fund and general ledger account;
- (c) determine whether payments received approval from proper authorities.

An examination of six randomly selected disbursements disclosed the following:

- (a) The six selected disbursements were supported by adequate documentation.

East Columbia Waterworks District  
Independent Accountant's Report on  
Applying Agreed-Upon Procedures  
December 31, 2000

- (b) The six selected payments were properly coded to the correct fund and general ledger account.
- (c) The six selected payments received approval from the proper authorities.

**Meetings**

- 9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1-12 (the opening meetings law).

The district advertises its notice of meetings in the weekly newspaper.

**Debt**

- 10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

I reviewed all deposits for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.


**Advances and Bonuses**

- 11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

A reading of the minutes of the board meetings and an examination of payroll records indicated no payments which may constitute bonuses, advances, or gifts.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the information and use of management of the East Columbia Waterworks District and the Legislative Auditor, State of Louisiana, and is not intended to be and should not be used by anyone other than these specified parties.

  
Calhoun, Louisiana  
March 30, 2001

## **Louisiana Attestation Questionnaire**

The accompanying *Louisiana Attestation Questionnaire* has been completed by management and is included in this report as required by the *Louisiana Governmental Audit Guide*.

M. Carleen Dumas  
Certified Public Accountant  
369 Donaldson Rd.  
Calhoun, La 71225

Mrs. Dumas,

In connection with your compilation of our financial statements of the East Columbia Water District as of December 31, 2000 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on information available to us as of \_\_\_\_\_.

#### **PUBLIC BID LAW**

1. The provisions of the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office have been complied with.

Yes ☐ No ☐ N/A ☐

#### **CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES**

2. No employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone which would constitute a violation of LSA-RS 42:1101-1124.

Yes ☐ No ☒ N/A ☐

3. No member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980 under circumstances which would constitute a violation of LSA-RS 42:1119.

Yes ☐ No ☒ N/A ☐

## BUDGETING

4. We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:43.

Yes ☒ No ☐ N/A ☐

## ACCOUNTING AND REPORTING

5. All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes ☒ No ☐ N/A ☐

6. We have filed our annual financial statements in accordance with LSA-RS 24:514, LSA-RS 33:463, and/or LSA-RS 39:92, as applicable.

Yes ☒ No ☐ N/A ☐

7. We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes ☒ No ☐ N/A ☐

## MEETINGS

8. We have complied with the provisions of the Opening Meetings Law, LSA-RS 42:1-12.

Yes ☒ No ☐ N/A ☐

## DEBT

9. We have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 47:1410.60.

Yes ☐ No ☒ N/A ☐

## ADVANCES AND BONUSES

10. We have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes ☐ No ☒ N/A ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

Marion L. Sugay      2-26-01  
Name                                  Date